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Pocket Guide to Maine's Business Resources, 2003

Maine Department of Economic and Community Development

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POCKET GUIDE
TO
**Maine's
Business
Resources**



Take Your Business in a New Direction

State of Maine Business Resources

Department of Agriculture	207-287-3491
www.maine.gov/agriculture	
Department of Economic & Community Development ..	207-624-9800
Office of Business Development	207-624-9804
www.econdevmaine.com	800-541-5872
• Applied Technology Development Centers	207-624-9800
• Business Answers	800-872-3838
• Business Development Specialists	207-624-9804
• Community Development Block Grant Program ..	207-624-7484
• Employment Tax Increment Financing	207-624-9800
• Maine Products Marketing Program	207-624-9804
• One Stop Business Licensing Center	800-872-3838
• Tax Increment Financing	207-624-9800
Department of Environmental Protection	800-789-9802
www.maine.gov/dep	
Department of Labor	207-624-6390
www.maine.gov/labor	
Department of Marine Resources	207-624-6550
www.maine.gov/dmr	
Department of Professional & Financial Regulation	207-624-8551
www.mainesecuritiesreg.org	
Finance Authority of Maine (FAME)	207-623-3263
www.famemaine.com	800-228-3734
Maine Business Works	
www.mainebusinessworks.org	
Maine International Trade Center	207-541-7400
www.mitc.com	
Maine Manufacturing Extension Partnership	207-623-0680
www.mainermep.org	800-MEP-4MFG
Maine Public Utilities Commission	207-287-3831
www.maine.gov/mpuc	
Maine Quality Centers	207-767-5210
www.mtcs.net/mainequalitycenters.html	800-491-3121
Maine Revenue Services	207-287-2076
www.maine.gov/revenue	
Maine Small Business Development Centers	207-780-4420
www.mainesbdc.org	
Maine Technology Institute	207-582-4790
www.maintechology.org	
Market Development Center	800-339-6389
www.mdcme.org	
Small Enterprise Growth Fund	207-623-3263
www.segfmaine.com	800-228-3734



**Maine Department of Economic and
Community Development**
59 State House Station • 111 Sewall Street, 3rd Floor
Burton M. Cross State Office Building
Augusta, ME 04333-0059
E-mail: biz.growth@maine.gov
www.econdevmaine.com

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STATE FINANCING

Community Development Block Grant (CDBG) Program assists local communities with business development efforts. Funds can be provided for projects that create or retain jobs for persons from low or moderate income households.

Contact: Department of Economic and Community Development's Office of Community Development
207-624-7484

www.econdevmaine.com

- **Development Fund Loan Program** provides up to \$250,000 of financing for fixed assets and working capital for business projects. Development Fund Loans can cover up to 40% of total project costs.

- **Business Assistance Program** provides up to \$400,000 to local governments to grant to businesses for purchasing fixed assets including capital equipment, commercial or industrial buildings, fixtures and real property improvements.

- **Economic Development Infrastructure (EDI) Program** provides up to \$400,000 to communities to develop or rehabilitate public infrastructure that supports private economic development projects. Examples include roads, rail sidings, water, sewer and publicly owned facilities.

STATE FINANCING

Continued

Commercial, Small Business & Veterans' Small Business Loan Insurance Programs

help small businesses access commercial credit by providing loan insurance to commercial lenders. Under these programs, FAME may insure up to 90% of a loan on a pro-rata basis or 100% of 25% of a loan on a leveraged basis. For eligible veterans and wartime veterans, FAME may insure 100% of a loan up to a maximum exposure of \$75,000 and \$125,000, respectively.

Contact: Finance Authority of Maine

207-623-3263 or 800-228-3734

www.famemaine.com

STATE FINANCING

Continued

The Market and Production Development Division of the **Department of Agriculture** provides assistance in the expansion of existing agriculture-based businesses and the development of new business.

Contact: Department of Agriculture

207-287-3491

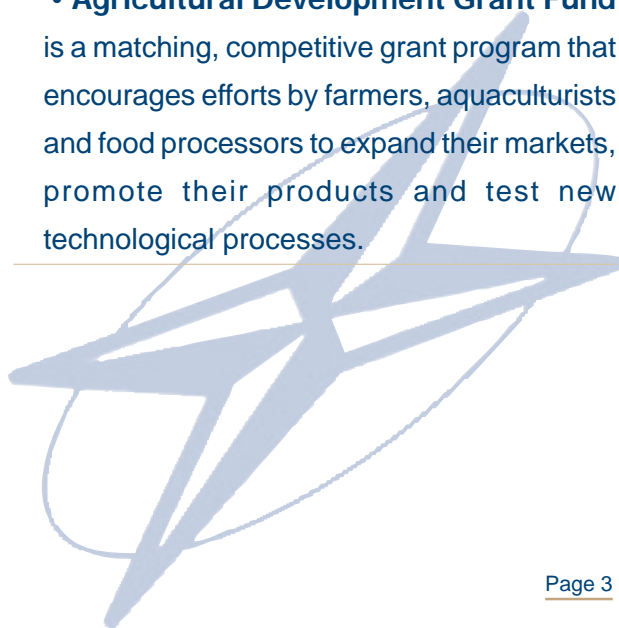
www.maine.gov/agriculture

- **Agricultural Marketing Loan Fund**

provides low interest (5%) loans up to \$250,000 for eligible businesses' capital purchases to develop new and innovative technologies and processes that improve the manufacturing, marketability and production of Maine made products.

- **Agricultural Development Grant Fund**

is a matching, competitive grant program that encourages efforts by farmers, aquaculturists and food processors to expand their markets, promote their products and test new technological processes.



STATE FINANCING

Continued

Economic Recovery Loan Program provides gap financing up to \$200,000 to help businesses remain viable and/or improve productivity. This program targets Maine-based businesses that have exhausted other sources of capital.

Contact: Finance Authority of Maine

207-623-3263 or 800-228-3734

www.famemaine.com

Employment Tax Increment Financing (ETIF) provides qualified businesses (i.e. any for-profit, non-retail, non-utility) that add five or more qualified employees within a two year period with financing equal to 30, 50 or 75% of those employees' Maine income tax withholdings, for a period of up to 10 years. Note: In a Pine Tree Zone 80% reimbursement is offered.

Contact: Department of Economic and Community Development

207-624-9800

www.econdevmaine.com

STATE FINANCING

Continued

Maine Technology Institute (MTI) supports Maine companies' early-stage research and development efforts leading to commercialization of new products and services. MTI makes investments up to \$500,000 that are awarded on a competitive basis several times a year. All MTI awards require a minimum 1:1 cash match. All awards are to private companies and non-profit organizations that will increase the level and the pace of research and development in the state's technology sectors and create new jobs for Maine people.

Contact: Maine Technology Institute

207-582-4790

www.mainetechnology.org

Occupational Safety Loan Program provides low-cost financing for businesses that install or improve equipment that reduces workplace hazards and promotes the health and safety of employees. Participants can obtain direct loans of up to \$50,000 at a 3% annual interest rate. This program complements the Workplace Safety Education and Training Program (SafetyWorks!) on page 18.

Contact: Department of Labor

207-624-6400

www.maine.gov/labor

STATE FINANCING

Continued

Regional Economic Development Revolving Loan Program provides direct loans of up to \$200,000 from regional economic development agencies to businesses that have 50 or fewer employees or less than \$5 million in annual sales. The loan funds are intended to create or retain high-quality jobs. These loans may be subordinated to financing from other lenders. Loans of \$50,000 or less may not exceed half of the net new funds being provided to a borrower. Loans of \$50,001 - \$200,000 may not exceed one-third of the net new funds being provided to a borrower.

Contact: Finance Authority of Maine
207-623-3263 or 800-228-3734
www.famemaine.com

STATE FINANCING

Continued

Small Corporate Offering Registration (SCOR) is a unique means by which a company needing capital may make a public offering of securities, without the often costly and time-consuming process of an SEC registration. The program enables corporations and limited liability companies to raise up to \$1,000,000 in any 12-month period through the sales of securities to the public. The program's primary focus is reducing the cost of capital to small businesses.

Contact: Department of Professional and Financial Regulation
207-624-8551
www.maine securitiesreg.org

Small Enterprise Growth Fund provides initial investments, typically between \$150,000 and \$350,000, in patient capital to small businesses that demonstrate a potential for high growth and public benefit. Funds must be matched in cash. Investments from the fund may be structured as convertible debentures or direct purchases of preferred stock.

Contact: Small Enterprise Growth Fund
207-623-3263 or 800-228-3734
www.segfmaine.com

STATE FINANCING

Continued

Tax Exempt Bond (SMART-E) provides tax-exempt bond financing up to \$7,000,000 to manufacturers that may be used to purchase and/or construct a manufacturing facility, and/or purchase new machinery and equipment. Because these bonds are tax-exempt, borrowers are offered attractive interest rates. Bonds may be structured to finance up to 90% of an eligible loan based on collateral value.

Contact: Finance Authority of Maine

207-623-3263 or 800-228-3734

www.famemaine.com

Taxable Bond (SMART) provides credit-enhanced taxable bond financing up to \$7,000,000 for the construction or acquisition of real estate and the purchase of new or existing machinery and equipment. The assets do not need to be related to manufacturing.

Contact: Finance Authority of Maine

207-623-3263 or 800-228-3734

www.famemaine.com

LOCAL FINANCING

Tax Increment Financing (TIF) provides municipalities with a local tool to finance the cost of private development. A municipality may use all or a portion of the new property taxes that result from an investment project within a designated district to assist in that project's financing. The municipality has the option of issuing bonds (which are retired using the tax increment), or disbursing the tax increment directly to the investing business to cover project costs. TIF districts may be designated for a period of up to 30 years. The terms of financing are established by the municipality. A public hearing and the majority vote of the municipal legislative body is required.

Contact: Department of Economic and Community Development

207-624-9800

www.econdevmaine.com



TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Business Equipment Tax Reimbursement Program (BETR) provides an annual reimbursement of all local taxes paid on qualified business personal property for up to 12 years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

High-Technology Investment Tax Credit provides businesses primarily engaged in high-tech activities a tax credit equal to the adjusted basis of eligible equipment placed in service in Maine less any lease payments received during the taxable year. The tax credit may not exceed \$100,000 in any one year and may not be used in tandem with BETR. Any unused credit amount may be carried forward up to five years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Jobs and Investment Tax Credit allows any business, other than a public utility, that invests at least \$5 million in a taxable year in qualifying types of personal property and creates 100 new jobs in Maine within the ensuing two year period, a tax credit equal to 10% of the qualified investment and is limited, in any one year, to the lesser of \$500,000 or to the tax otherwise due. Any unused credit amount may be carried forward up to six years.

Contact: Maine Revenue Services

207-626-8475

www.maine.gov/revenue

Maine Seed Capital Tax Credit Program encourages equity investment in young business ventures, directly and through private venture capital funds, by providing investors with state income tax credits for up to 60% of the cash equity they provide to eligible Maine businesses. Investments eligible for tax credits may be used for fixed assets, research or working capital.

Contact: Finance Authority of Maine

207-623-3263 or 800-228-3734

www.famemaine.com

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Research Expense Credit provides a 5% income tax credit to companies that incur qualifying research expenses in excess of their average research expenses. The program also provides a 7.5% credit to companies that incur basic research payments to qualified organizations, educational institutions and other research organizations.

Contact: Maine Revenue Services
207-626-8475
www.maine.gov/revenue

Super Credit for Substantially Increased Research and Development is for businesses that qualify for the aforementioned Research Expense Credit and whose qualified research expenses in Maine for the taxable year exceed 150% of their average research expenses for the three taxable years prior to June 1997. The credit is equal to the amount of qualified research expenses for the taxable year that exceed 150% of that average research expense, and may not exceed 50% of the net tax due after the allowance of any other credits.

Contact: Maine Revenue Services
207-626-8475
www.maine.gov/revenue

TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Sales Tax Exemptions are allowed on the purchase of certain goods or services through the following programs.

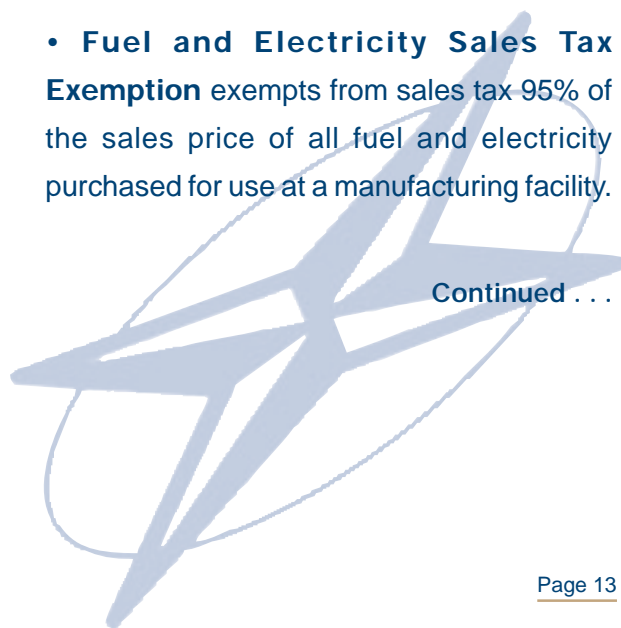
Contact: Maine Revenue Services
207-624-9693
www.maine.gov/revenue

- **Biotechnology Sales Tax Exemption** for the purchase of machinery, equipment, instruments and supplies used by the purchaser directly and primarily in a biotechnology application.

- **Custom Computer Programming Sales Tax Exemption** for the purchase of custom computer programming.

- **Fuel and Electricity Sales Tax Exemption** exempts from sales tax 95% of the sales price of all fuel and electricity purchased for use at a manufacturing facility.

Continued . . .



TAX REIMBURSEMENT, CREDITS & EXEMPTIONS

Continued

Sales Tax Exemptions . . . Continued

- **Manufacturing Sales Tax Exemptions** for the purchase of qualified machinery and equipment used in the production of tangible personal property as well as the repair and replacement of parts. Material used in production is also exempt.
- **Research Machinery and Equipment Sales Tax Exemption** for machinery and equipment used directly and exclusively for research and development.

MARKETING

Department of Marine Resources, Industry Development provides support to Maine's fish harvesting, distribution and processing industries. Development research is conducted to provide public information about economic impacts, market trends, industry structure and financial needs of the seafood industry. Economic development advocacy and policy is carried out through working internally with department staff and collaboratively with the State Planning Office, DECD, economic development districts and other state and local agencies.

Contact: Department of Marine Resources
207-624-6550
www.maine.gov/dmr

Get real. Get Maine! is a promotional campaign designed to market Maine food and other agricultural products that are primarily grown, raised, harvested or processed in Maine. Products are promoted through a variety of program elements including advertising, a nationally distributed wholesale buyers' guide, the "Get real. Get Maine!" web site and through participation in fairs, activities and events.

Contact: Department of Agriculture
207-287-3491
www.getrealmaine.com

MARKETING

Continued

The **Maine Products Marketing Program (MPMP)** builds recognition for hundreds of exceptional Maine made products and their producers. Producers of quality products substantially made in Maine can participate in a number of program



features, including the Maine Made — America's Best product identification labels, kiosk display opportunities, and national and regional trade show participation. There is no fee to apply, and members are entitled to a complimentary profile, with web and email hotlinks, on the globally accessible www.mainemade.com. MPMP is very proud to provide marketing assistance and to discover and create new and expanded market opportunities for Maine's many quality producers.

Contact: Department of Economic and Community Development
207-624-9804
www.mainemade.com

WORKFORCE TRAINING

Governor's Training Initiative (GTI) provides financial training assistance for job creation, retention and competitive retooling by linking Maine's education and training providers to the needs of Maine employers. To be eligible, an employer must provide a starting wage equal to 85% of the average wage for that occupation in the given labor market area and contribute at least 50% of the premium cost of employee health insurance. (Some small and new businesses are exempt from the second requirement.)

Contact: Department of Labor
207-624-6390
www.maine.gov/labor

Maine Apprenticeship Program provides on-the-job training and related classroom instruction. Four courses per year/\$100 per course may be reimbursed for successful completion of course work. At the end of the program, the employer has a certified, skilled journey person.

Contact: Department of Labor
207-624-6390
www.maine.gov/labor

WORKFORCE TRAINING

Continued

Maine Quality Centers Program (MQC) provides 100% state-financed education and training for new employees, as well as customized recruitment. This program is offered at no cost to companies or trainees by the state's community colleges. To qualify, companies must create a minimum of eight new full-time jobs with benefits.

Contact: Maine Quality Centers

207-767-5210 or 800-491-3121

www.mtcs.net/mainequalitycenters.html

Workplace Safety Education and Training Program (SafetyWorks!) provides, at no cost, customized occupational health and safety training, work-site evaluation and technical support to reduce injuries, illnesses and workers' compensation costs. Services are independent of Occupational Safety and Health Administration enforcement activities. This program complements the Occupational Safety Loan Program on page 5.

Contact: Department of Labor

207-624-6400

www.maine.gov/labor

ENVIRONMENTAL PROTECTION

Office of Innovation and Assistance helps businesses interested in lessening their negative environmental impact. Under this program, the Department of Environmental Protection (DEP) provides on-site technical pollution prevention and small business assistance, manages innovative programs like Performance Track, Step-Up and Environmental Leadership, conducts literature searches and financial analysis of pollution prevention projects, and assists in identifying cleaner technologies.

Contact: Department of Environmental Protection
800-789-9802

www.maine.gov/dep/oia/homepage.htm

Small Business Technical Assistance Program helps businesses comply with environmental regulations through education, on-site assistance and pollution prevention techniques. It also advises businesses on ways to reduce waste, serves as an ombudsman for small businesses and administers the Small Business Compliance Incentive Policy, which provides enforcement relief for small businesses requesting assistance from the Department of Environmental Protection.

Contact: Department of Environmental Protection
800-789-9802

www.maine.gov/dep/oia/homepage.htm

TECHNICAL ASSISTANCE

Applied Technology Development Centers, as technology incubators for start-up companies commercializing products and services in Maine's seven targeted technology sectors, provide cost effective facilities and services, including training and access to business, technical and financial resources. Applied Technology Development Centers exist for the information technology, composite materials, precision manufacturing, biotechnology, forestry and agriculture, environmental and aquaculture industries.

Contact: Department of Economic and Community Development
207-624-9800
www.atdcmaine.com

TECHNICAL ASSISTANCE

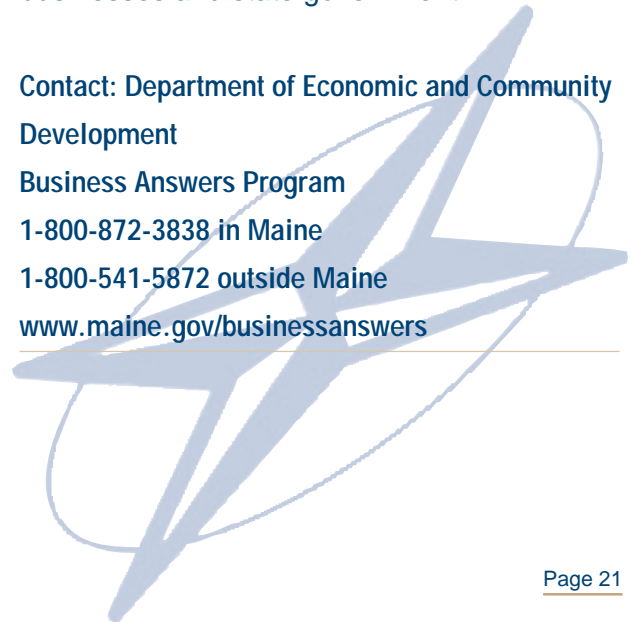
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Business Answers, Maine's **business information resource**, provides assistance in most areas of starting and operating a business in Maine. In addition to providing information about state



small business development resources, this program offers One Stop Business Licensing assistance **over the phone or the Internet**. This service helps businesses identify state licensing requirements that pertain to them and provides applications and information needed for business operation. Complementing these services is the small business advocate, who can facilitate communications between small businesses and state government.

Contact: Department of Economic and Community Development
Business Answers Program
1-800-872-3838 in Maine
1-800-541-5872 outside Maine
www.maine.gov/businessanswers



TECHNICAL ASSISTANCE

Continued

Efficiency Maine offers short and long-term benefits to small businesses by providing information about energy efficient electric products, cash incentives for specific electrical equipment, and Efficiency Maine training to help small business owners strengthen their bottom line and reduce risk.

Contact: Maine Public Utilities Commission
1-866-376-2463
www.efficiencymaine.com

Maine International Trade Center (MITC) provides assistance to businesses involved in or interested in international trade. Training programs, conferences, counseling and technical assistance are available. The trade center also coordinates foreign trade missions in order to develop export markets for Maine businesses.

Contact: Maine International Trade Center
207-541-7400
www.mitc.com

TECHNICAL ASSISTANCE

Continued

Maine Manufacturing Extension Partnership (Maine MEP) helps small- and medium-sized manufacturers in Maine succeed in the modern marketplace. Experienced Maine MEP project managers can help transform a manufacturing enterprise from traditional to world class by providing assistance with lean manufacturing, technology transfer, ISO 9000/12000 certification, energy and environmental assessments, as well as expanded opportunities to do business in the supply chains of original equipment manufacturers and other large customers.

Contact: Maine Manufacturing Extension Partnership
207-623-0680 or 800-MEP-4MFG
www.mainemep.org



TECHNICAL ASSISTANCE

Continued

Maine Small Business Development Centers (Maine SBDC) at no cost to potential and existing business owners/managers, provide comprehensive business management assistance, training and information services to



Maine's small business community. Maine SBDC Business Counselors are qualified small business professionals, have diverse educational and business experience, and are dedicated to helping Maine's small businesses succeed. Maine SBDC operates a network of service centers and outreach offices located conveniently throughout the state.

Contact: Small Business Development Centers
1-800-679-SBDC
www.mainesbdc.org

TECHNICAL ASSISTANCE

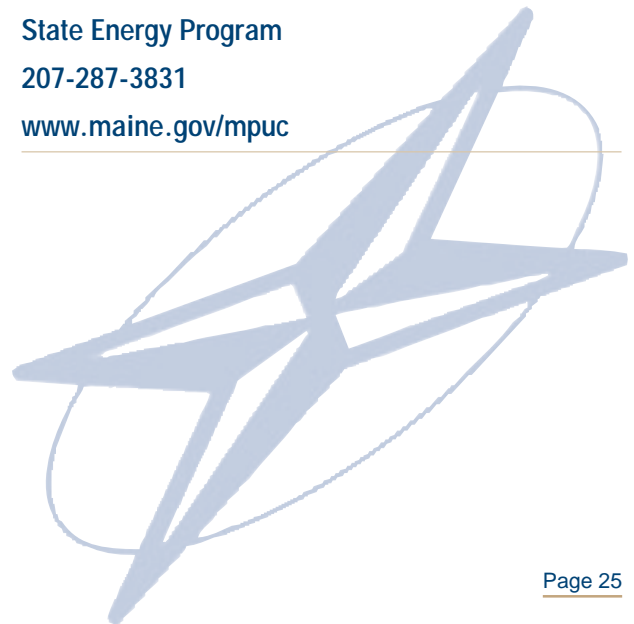
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Market Development Center (MDC) offers procurement technical assistance and counseling to help Maine businesses market products and services to federal and state government. Access to contract opportunities, information, resources and education on government prime contracting and subcontracting is available.

Contact: Market Development Center
800-339-6389
www.mdcme.org

Small Business Energy Conservation Program provides free energy audits conducted on-site by trained specialists to help small business owners identify energy savings.

Contact: Maine Public Utilities Commission,
State Energy Program
207-287-3831
www.maine.gov/mpuc



BUSINESS SERVICES & INFORMATION

Business Development Specialists are experts in economic and business development who work directly with companies and economic development organizations to identify and respond to the specific needs of Maine's business community. The Maine Office of Business Development has business development specialists strategically located in regions throughout the state.

Contact: Department of Economic and Community Development's Office of Business Development
207-624-9804
www.econdevmaine.com

Maine Business Works (MBW) web site provides access to a comprehensive array of economic development information to start a new business or improve the profitability of an existing business. MBW also provides a vital electronic link among Maine economic development service providers to increase the efficiency and effectiveness of programs designed to help small businesses thrive in Maine.

Contact: www.mainebusinessworks.org



FOR MORE INFORMATION

For more information on how to put these programs to work for your business, please contact us through one of the following methods:

CALL

The Office of Business Development
(207) 624-9804
(800) 541-5872
(207) 287-2656 (TTY)

WRITE/VISIT

The Office of Business Development
Department of Economic &
Community Development
Burton M. Cross State Office Building
111 Sewall Street, 3rd Floor
59 State House Station
Augusta, ME 04333-0059

E-MAIL

biz.growth@maine.gov

WEB

www.econdevmaine.com

This brochure is available in
alternate formats upon request.

08/03

